

AMENDED IN SENATE JUNE 21, 2012

AMENDED IN SENATE MAY 31, 2012

AMENDED IN ASSEMBLY APRIL 24, 2012

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2164

Introduced by Assembly Member Dickinson

February 23, 2012

An act to amend Section 13332.11 of the Government Code, relating to community college facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2164, as amended, Dickinson. Community college facilities.

Existing law generally requires the approval of the Department of Finance and the State Public Works Board before a state agency, including, among others, the California Community Colleges, may expend funds from an appropriation for capital outlay purposes. With respect to the California Community Colleges, this approval is only required for the allocation of state capital outlay funds appropriated by the Legislature.

This bill would authorize a community college district to receive reimbursement for amounts incurred by the community college district through the expenditure of local funds for capital outlay projects, before revenues are available from a state general obligation bond approved by the electorate, after the date of the final project proposal approval by the Board of Governors of the California Community Colleges, after approval of preliminary plans by the Department of Finance and the

State Public Works Board, and after an appropriation by the Legislature of funds for one or more specified project phases. The bill would apply specified requirements to the receipt of this reimbursement. The bill would make these provisions inoperative on January 1, ~~2018~~ 2016.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 13332.11 of the Government Code is
2 amended to read:
3 13332.11. (a) (1) Except as otherwise specified in paragraph
4 (2), no funds appropriated for capital outlay may be expended by
5 any state agency, including the University of California, the
6 California State University, the California Community Colleges,
7 and the Judicial Council until the Department of Finance and the
8 State Public Works Board have approved preliminary plans for
9 the project to be funded from a capital outlay appropriation.
10 (2) Paragraph (1) shall not apply to any of the following:
11 (A) Amounts for acquisition of real property in fee, or any other
12 lesser interest.
13 (B) Amounts for equipment or minor capital outlay projects.
14 (C) Amounts appropriated for preliminary plans, surveys, and
15 studies.
16 (b) Notwithstanding subdivision (a), approvals by the State
17 Public Works Board and the Department of Finance for the
18 University of California and the California Community Colleges
19 shall apply only to the allocation of state capital outlay funds
20 appropriated by the Legislature, including land acquisition and
21 equipment funds.
22 (c) (1) A community college district may receive reimbursement
23 for amounts incurred by the community college district through
24 the expenditure of local funds for capital outlay projects, before
25 revenues are available from a state general obligation bond
26 approved by the electorate, after the date of the final project
27 proposal approval by the Board of Governors of the California
28 Community Colleges, after approval of preliminary plans by the
29 Department of Finance and the State Public Works Board, and
30 after an appropriation by the Legislature, in the annual Budget Act
31 or related legislation, of funds for one or more of the following

1 project phases: preliminary plans, working drawings, construction,
2 and equipment. Amounts reimbursed pursuant to this subdivision
3 shall be subject to the Legislature's determination of the
4 appropriate scope and cost of the project at the time of the
5 appropriation.

6 (2) All of the following requirements shall apply to ~~receive the~~
7 *receipt of a* reimbursement pursuant to this subdivision:

8 (A) Before incurring amounts *for which reimbursement will be*
9 *sought*, a community college district shall demonstrate to the Office
10 of the Chancellor of the California Community Colleges that
11 sufficient local funds are available to fully pay for a project without
12 reimbursement and without causing fiscal hardship to the district.
13 *After a district makes this demonstration, the Office of the*
14 *Chancellor of the California Community Colleges shall notify the*
15 *district that this section does not guarantee funding for a project*
16 *and the district assumes financial risks associated with the project*
17 *if state general obligation bond funds are unavailable.*

18 (B) A community college district shall comply with all state
19 and federal laws, including, but not limited to, Section 1771.3 of
20 the Labor Code, governing the expenditure of state bond funds for
21 use on facility construction projects.

22 (C) The expenditures made by a community college district
23 shall be eligible for reimbursement in accordance with applicable
24 state and federal laws and procedures.

25 (D) Amounts incurred pursuant to this subparagraph shall only
26 be reimbursed pursuant to a state general obligation bond approved
27 by the electorate on or before December 31, ~~2016~~ 2014.

28 (3) This subdivision shall become inoperative on January 1,
29 ~~2018~~ 2016.

30 (d) Any appropriated amounts for working drawings or
31 construction where the working drawings or construction have
32 been started by any state agency prior to approval of the
33 preliminary plans by the State Public Works Board shall be reverted
34 to the fund from which the appropriation was made, as approved
35 by the Department of Finance. No major project for which a capital
36 outlay appropriation is made shall be put out to bid until the
37 working drawings have been approved by the Department of
38 Finance. No substantial change shall be made to the approved
39 preliminary plans or approved working drawings without written

1 approval by the Department of Finance. Any proposed construction
2 bid alternates shall be approved by the Department of Finance.

3 (e) The Department of Finance shall approve the use of funds
4 from a capital outlay appropriation for the purchase of any
5 significant unit of equipment.

6 (f) The State Public Works Board may augment a major project
7 in an amount of up to 20 percent of the total of the capital outlay
8 appropriations for the project, irrespective of whether any of those
9 appropriations have reverted. For projects authorized through
10 multiple fund sources, including, but not limited to, general
11 obligation bonds and lease-revenue bonds, to the extent otherwise
12 permissible, the Department of Finance shall have full authority
13 to determine which of the fund sources will bear all or part of an
14 augmentation. The board shall defer all augmentations in excess
15 of 20 percent of the amount appropriated for each capital outlay
16 project until the Legislature makes additional funds available for
17 the specific project.

18 (g) In addition to the powers provided by Section 15849.6, the
19 State Public Works Board may further increase the additional
20 amount in Section 15849.6 to include a reasonable construction
21 reserve within the construction fund for any capital outlay project
22 without augmenting the project. The amount of the construction
23 reserve shall be within the 20-percent augmentation limitation.
24 The board may use this amount to augment the project, when and
25 if necessary, after the lease-revenue bonds are sold to ensure
26 completion of the project. Upon completion of the project, any
27 amount remaining in the construction reserve funds shall be used
28 to offset rental payments.

29 (h) Augmentations in excess of 10 percent of the amount
30 appropriated for each capital outlay project shall be reported to
31 the Chairperson of the Joint Legislative Budget Committee, or his
32 or her designee, 20 days prior to board approval, or not sooner
33 than whatever lesser time the chairperson, or his or her designee,
34 may in each instance determine.

35 (i) (1) The Department of Finance may change the
36 administratively or legislatively approved scope for major capital
37 outlay projects.

38 (2) If the Department of Finance changes the approved scope
39 pursuant to paragraph (1), the department shall report the changes
40 and associated cost implications to the Chairperson of the Joint

1 Legislative Budget Committee, the chairpersons of the respective
2 fiscal committees, and the legislative advisers of the State Public
3 Works Board 20 days prior to the proposed board action to
4 recognize the scope change.

5 (j) The State Public Works Board shall defer action with respect
6 to approval of an acquisition project, when it is determined that
7 the estimated cost of the total acquisition project, as approved by
8 the Legislature is in excess of 20 percent of the amount
9 appropriated, unless it is determined that a lesser portion of the
10 property is sufficient to meet the objectives of the project approved
11 by the Legislature, and the Chairperson of the Joint Legislative
12 Budget Committee, or his or her designee, is provided a 20-day
13 prior notification of the proposed reductions in the acquisition
14 project, or whatever lesser period the chairperson, or his or her
15 designee, may in each instance determine.

16 (k) The Department of Finance shall report to the Chairperson
17 of the Joint Legislative Budget Committee, the chairpersons of the
18 respective fiscal committees, and legislative advisers of the State
19 Public Works Board 20 days prior to the proposed board approval
20 of preliminary plans when it is determined that the estimated cost
21 of the total capital outlay construction project is in excess of 20
22 percent of the amount recognized by the Legislature.

23 (l) Nothing in this section shall be construed to limit or control
24 the Department of Transportation or the California Exposition and
25 State Fair in the expenditure of all funds appropriated to the
26 department for capital outlay purposes.